

WAIS, Inc.
Balance Sheet

	<u>30-Jun-94</u>	<u>30-Sep-94</u>	<u>30-Dec-94</u>	<u>31-Mar-95</u>	<u>30-Jun-95</u>
<i>Current Assets:</i>					
Cash	\$134,341	\$320,459	\$357,328	\$668,488	\$227,481
Accounts receivable	101,023	514,026	477,461	710,462	701,654
Deposits & prepaids	5,875	41,056	26,080	56,891	44,438
Total current assets	<u>241,239</u>	<u>875,541</u>	<u>860,869</u>	<u>1,435,841</u>	<u>973,573</u>
Capitalized development costs, net		20,067	41,686	75,994	131,559
<i>Fixed Assets:</i>					
Furniture	4,741	9,064	32,867	44,084	64,262
Equipment & software	81,776	94,374	153,537	200,192	331,775
Production services	3,301	8,916	11,794	50,988	96,695
Leasehold improvements				16,832	20,048
Accumulated depreciation	<u>(30,053)</u>	<u>(38,499)</u>	<u>(51,236)</u>	<u>(71,300)</u>	<u>(102,436)</u>
Net fixed assets	<u>59,765</u>	<u>73,855</u>	<u>146,962</u>	<u>240,796</u>	<u>410,344</u>
<i>Other Assets</i>	<u>3,815</u>	<u>3,576</u>	<u>3,338</u>	<u>3,099</u>	<u>2,861</u>
<i>Total Assets</i>	<u><u>\$304,819</u></u>	<u><u>\$973,039</u></u>	<u><u>\$1,052,855</u></u>	<u><u>\$1,755,730</u></u>	<u><u>\$1,518,337</u></u>
<i>Current Liabilities:</i>					
Accounts payable and accrued expenses	\$114,205	\$51,918	\$132,480	\$177,816	\$197,231
Term loan				500,000	500,000
Note Payable	48,711	48,711			
Deferred revenue	79,253	86,716	55,292	227,189	108,673
Accrued interest				1,556	11,555
Accrued income taxes		314,796	352,227	335,669	270,420
Total current liabilities	<u>242,170</u>	<u>502,141</u>	<u>539,999</u>	<u>1,242,230</u>	<u>1,087,879</u>
<i>Shareholders' Equity:</i>					
Paid in capital	25,000	25,000	25,000	55,418	55,418
Current year income (loss)		408,231	450,189	420,433	337,391
Retained earnings (deficit)	<u>37,650</u>	<u>37,667</u>	<u>37,667</u>	<u>37,649</u>	<u>37,649</u>
Total equity	<u>62,650</u>	<u>470,898</u>	<u>512,856</u>	<u>513,500</u>	<u>430,458</u>
<i>Total Liabilities & Equity</i>	<u><u>\$304,819</u></u>	<u><u>\$973,039</u></u>	<u><u>\$1,052,855</u></u>	<u><u>\$1,755,730</u></u>	<u><u>\$1,518,337</u></u>

WAIS, Inc.
Quarterly Income Statement

	30-Sep-94	30-Dec-94	31-Mar-95	30-Jun-95	FY 1995
<i>Revenue:</i>					
Products	\$639,907	\$364,676	\$413,277	\$325,946	\$1,743,806
Government contract	142,868	96,401	59,036	56,769	355,074
Production services	146,626	231,632	227,024	344,350	949,632
Total revenue	929,401	692,709	699,336	727,065	3,048,512
<i>Cost of sales:</i>					
Products	36,426	101,732	85,302	71,339	294,799
Government contract	11,273	62,669	39,518	22,385	135,845
Production services	46,701	167,731	158,479	323,735	696,646
Total cost of sales	94,400	332,132	283,299	417,459	1,127,290
Gross margin	835,001	360,577	416,037	309,606	1,921,222
Gross margin %	90%	52%	59%	43%	63%
<i>Expenses:</i>					
Marketing & sales	32,513	150,795	207,998	196,032	587,338
G&A	74,579	117,465	180,092	224,092	596,228
Operations			47,422	28,480	75,902
Total expenses	107,092	268,260	435,512	448,604	1,259,468
Net operating income (loss)	727,909	92,317	(19,475)	(138,998)	661,754
Pooling expenses			(30,000)	(2,437)	(32,437)
Interest income (expense)	1,076	464	227	(6,858)	(5,091)
Pretax income (loss)	728,985	92,781	(49,248)	(148,293)	624,225
Income taxes	320,754	50,823	(19,492)	(65,250)	286,835
NET INCOME (LOSS)	\$408,231	\$41,958	(\$29,756)	(\$83,043)	\$337,391

WAIS, Inc.
Quarterly Statement of Cash Flows

	<u>30-Sep-94</u>	<u>30-Dec-94</u>	<u>31-Mar-95</u>	<u>30-Jun-95</u>	<u>FY 1995</u>
Net operating Income (loss)	\$727,909	\$92,317	(\$19,475)	(\$138,998)	\$661,754
Depreciation & amortization	8,685	15,990	23,318	36,155	84,147
Cash flow from operations	<u>736,594</u>	<u>108,307</u>	<u>3,843</u>	<u>(102,843)</u>	<u>745,901</u>
Cash taxes	5,958	13,392	2,168		21,518
Cash interest	<u>(1,076)</u>	<u>(464)</u>	<u>(1,783)</u>	<u>(3,143)</u>	<u>(6,466)</u>
Subtotal	<u>731,712</u>	<u>95,379</u>	<u>3,458</u>	<u>(99,700)</u>	<u>730,848</u>
Changes in working capital:					
Accounts receivable	(413,003)	36,565	(233,001)	8,808	(600,631)
Deposits & prepaids	(35,181)	14,976	(25,709)	12,453	(33,461)
Accounts payable and accrued expenses	(62,287)	80,562	45,336	19,415	83,026
Deferred revenue	7,463	(31,424)	171,897	(118,516)	29,420
Cash used by working capital	<u>(503,008)</u>	<u>100,679</u>	<u>(41,477)</u>	<u>(77,840)</u>	<u>(521,646)</u>
Purchases of fixed assets	(22,536)	(85,844)	(113,898)	(200,684)	(422,962)
Capitalized development costs	(20,067)	(24,634)	(37,323)	(60,346)	(142,369)
Debt borrowings (repayments)		(48,711)	500,000		451,289
Other	17		400	(2,437)	(2,020)
	<u>(42,585)</u>	<u>(159,189)</u>	<u>349,179</u>	<u>(263,467)</u>	<u>(116,062)</u>
Increase (Decrease) In Cash	186,118	36,869	311,160	(441,007)	93,140
Beginning Cash	<u>134,341</u>	<u>320,459</u>	<u>357,328</u>	<u>668,488</u>	<u>134,341</u>
Ending Cash	<u>\$320,459</u>	<u>\$357,328</u>	<u>\$668,488</u>	<u>\$227,481</u>	<u>\$227,481</u>